

SCHEDULE 2

Requirements for registered consumer buy-to-let mortgage firms

Conditions applicable to creditors and credit intermediaries

Information and practices preliminary to the conclusion of the consumer buy-to-let mortgage contract

Adequate explanations

8.—(1) Creditors and, where applicable, credit intermediaries, must provide an adequate explanation to the borrower on a proposed consumer buy-to-let mortgage contract and any ancillary services, in order to place the borrower in a position enabling the borrower to assess whether the proposed agreement and ancillary services are adapted to the borrower's needs and financial situation.

(2) The adequate explanation must, where applicable, include—

- (a) in the case of creditors, the information described in paragraph 6(2);
- (b) in the case of credit intermediaries, the information described in paragraphs 6(2) and 7(1);
and
- (c) in all cases—
 - (i) the essential characteristics of the consumer buy-to-let mortgage contract proposed;
 - (ii) the specific effect the contract proposed may have on the borrower, including the consequences of default in payment by the borrower; and
 - (iii) where ancillary services are bundled with a consumer buy-to-let mortgage contract, whether each component of the bundle can be terminated separately and the implications for the borrower of doing so.